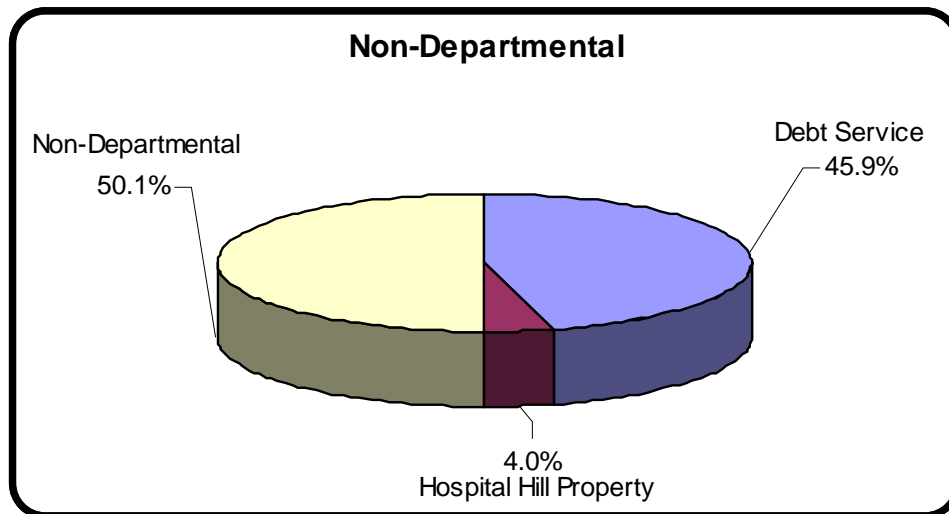


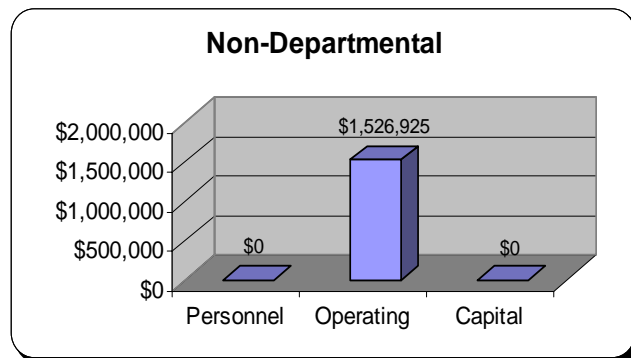
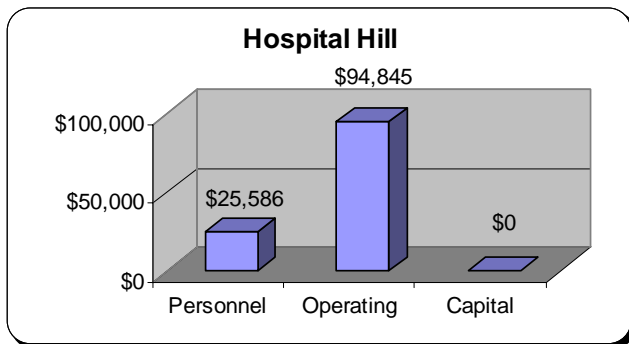
## NON-DEPARTMENTAL

Debt Service	\$1,398,677
Hospital Hill Property	\$120,431
Non-Departmental	<u>\$1,526,925</u>
	\$3,046,033



# NON-DEPARTMENTAL EXPENDITURES

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## **DEBT SERVICE**

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### **Description:**

The County has no statutory limit, or “legal debt margin”, on the amount it can issue. The Board of Supervisors has adopted certain financial policies limiting the amount of annual debt service payments to no more than 10% of general County revenues. These policies also serve as a guide for a schedule of debt funded projects in the Capital Improvements Program. For FY 2004 the amount of debt service payments represent 7.2% of the General Fund revenues.

Debt is considered tax supported if general tax revenues are used or if the County has made a pledge of annual appropriation to repay the debt. This debt includes general obligation debt, Virginia Public School Authority Bonds and capital leases.

The County is a highly rated issuer of debt securities. The County’s long-term general obligation bonds carry a rating of “double A2” from Moody’s Investor Service and “single A plus” from Standard and Poor’s Corporation. These ratings reflect the County’s management, low debt ratios and favorable location in Northern Virginia.

### **Current Debt Service:**

Debt Service is the County’s expenditure for principal and interest payments on County debt. The County’s debt consists of two elements, one of which is reflected in the General Fund and one located in the School Division’s Operating Fund. Currently the debt in the General Fund is the annual capital lease payments for the building located at 320 Hospital Hill Drive referred to as the Hospital Hill building, the Emergency Radio System and Bealeton Branch Library. The payments schedules are as follows:

#### **GENERAL FUND**

##### **Hospital Hill Building Capital Lease**

	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
FY 2004	\$ 368,245	\$ 78,100	\$ 466,345

##### **Emergency Radio System**

	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
FY 2004	\$ 395,000	\$ 310,448	\$ 705,448

##### **Bealeton Library**

	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
FY 2004	\$ 143,826	\$ 83,058	\$ 226,884

#### **SCHOOL OPERATING FUND**

##### **Virginia Public School Authority Bonds**

	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
FY 2004	\$3,765,000	\$2,111,446	\$5,876,466

##### **Trustee Fees and Issuance Costs**

	<b>Total</b>
FY 2004	<b>\$ 5,852</b>
<b>Total Debt Service for FY 2004</b>	<b><u>\$7,280,975</u></b>

## DEBT SERVICE

### Future Debt Service:

For FY 2004 \$5.8 million in new Capital Improvement Program (CIP) debt funded projects are being proposed. This includes \$4.2 million for the third and final borrowing for the new middle school and \$1.6 million for the first of two borrowings for renovation of the C.M. Thompson Elementary School. Debt service for these projects will begin in FY 2005. It should be noted that the School Division has decided to postpone the second middle school borrowing of \$6.6 million appropriated in FY 2003 until FY 2004. Total borrowing for the new middle school in FY 2004 will be \$10.8 million.

Also postponed for borrowing, until FY 2005, was the \$4.3 million appropriated in FY 2002 for middle school renovation.

Fauquier County Capital Improvements Program FY 2004-2008							
Department	Project	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	Total
CONSTRUCTION - DEBT							
	Warrenton /Taylor MS Expansion		\$4,300,000	\$4,227,000			\$8,527,000
	New Middle School	\$4,227,000					\$4,227,000
	C. Thompson ES Renovation (NW)	\$1,572,000	\$1,572,000				\$3,144,000
	New High School Land Acquisition		\$1,000,000				\$1,000,000
	New High School					\$2,328,000	\$2,328,000
	Catlett/Calverton Sewer		\$2,950,000	\$2,950,000			\$5,900,000
	New Baltimore Branch		\$235,294	\$1,761,887	\$2,076,894		\$4,074,075
	Cedar Lee MS Library Expansion		\$2,443,736				\$2,443,736
<b>TOTAL DEBT PROJECTS</b>		<b>\$5,799,000</b>	<b>\$12,501,030</b>	<b>\$8,938,887</b>	<b>\$2,076,894</b>	<b>\$2,328,000</b>	<b>\$31,643,811</b>
DEBT SERVICE COSTS							
	Radio System	\$705,488	\$703,203	\$700,648	\$702,264	\$702,823	\$3,514,426
	Warrenton/Taylor MS Expansion			\$430,000	\$853,000	\$853,000	\$2,136,000
	New Middle School	\$601,410	\$1,724,400	\$1,724,400	\$1,724,400	\$1,724,400	\$7,499,010
	C. Thompson ES Renovation (NW)		\$158,000	\$315,000	\$315,000	\$315,000	\$1,103,000
	New High School Land Acquisition			\$100,000	\$100,000	\$100,000	\$300,000
	Catlett/Calverton Sewer			\$295,000	\$590,000	\$590,000	\$1,475,000
	New Baltimore Branch Library			\$23,600	\$199,800	\$407,500	\$630,900
	Cedar Lee MS Library Expansion			\$244,374	\$244,374	\$244,374	\$733,122
<b>TOTAL DEBT SERVICE COSTS</b>		<b>\$1,306,898</b>	<b>\$2,585,603</b>	<b>\$3,833,022</b>	<b>\$4,728,838</b>	<b>\$4,937,097</b>	<b>\$17,391,458</b>

Projections of additional School Division construction needs within the next five years could result in debt service moving close to the Board of Supervisors' policy limit of 10% of general fund revenues.

### Bonded Debt Authorization and Issuance Policies:

The Constitution of Virginia and the Virginia Public Finance Act provide the authority for a County to issue general obligation debt secured solely by the pledge of its full faith and credit as well as debt secured by the fee revenues generated by the system for which the bonds are issued and, if necessary, by general obligation tax revenues. The County is also authorized to issue debt secured solely by the revenues of the system for which the bonds are issued. There is no limitation imposed by state law or local ordinance on the amount of general obligation debt which a County may issue; however with certain exceptions, debt which either directly or indirectly is secured by the general obligation of a County must be approved at public referendum prior to issuance. Debt secured solely by the revenues generated by the system for which the bonds were issued may be issued in any amount without a public referendum.

On June 18, 2001 the Board of Supervisors adopted a Resolution to establish a Debt Referendum Policy for Fauquier County, effective July 1, 2002.

## DEBT SERVICE

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1. All new facility construction projects or acquisitions that exceed \$10,00,000 shall be subject to voter referendum regardless of financing mechanism.
2. The referendum threshold for new facility construction projects shall be lowered to \$2,000,000 in the event that the County has, or through the issuance of the contemplated debt will, exceed 100% of the County's debt capacity. (Debt capacity shall be defined as 10% of the General Fund revenues committed to debt service).
3. Voter referendums shall coincide with the general election.
4. The Board of Supervisors may waive the referendum requirement, to the extent allowed by law, to meet a critical health and/or public safety need or in conjunction with a court order, by a majority vote of the Board of Supervisors at a regularly scheduled meeting.



## DEBT SERVICE

	1-Jul-03 Principal Balance	FY 2004 Principal Payment	1-Jul-04 Principal Balance	FY 2005 Principal Payment	1-Jul-05 Principal Balance	FY 2006 Principal Payment
<b><u>Bond Projects</u></b>						
<b><u>Schools</u></b>						
Liberty High	800,000	800,000	0	0	0	0
Liberty High (Refinance)	8,415,000	80,000	8,335,000	885,000	7,450,000	870,000
1994 A Series (Refinance)	9,865,000	1,530,000	8,335,000	1,480,000	6,855,000	1,445,000
New Middle School	6,085,000	325,000	5,760,000	320,000	5,440,000	320,000
Marshall Middle	4,115,000	230,000	3,885,000	230,000	3,655,000	230,000
Brumfield Elem.	2,975,000	175,000	2,800,000	175,000	2,625,000	175,000
Cedar Lee Middle	2,625,000	175,000	2,450,000	175,000	2,275,000	175,000
Pierce, Coleman Elem. & Fauquier High	6,300,000	450,000	5,850,000	450,000	5,400,000	450,000
	41,180,000	3,765,000	37,415,000	3,715,000	33,700,000	3,665,000

<b><u>General Fund</u></b>						
Hospital Hill Building *	1,673,664	388,245	1,285,419	407,701	877,718	428,132
Emergency Radio System **	7,085,000	395,000	6,690,000	405,000	6,285,000	415,000
Bealeton Library *	<u>1,700,000</u>	<u>143,826</u>	<u>1,556,174</u>	<u>151,092</u>	<u>1,405,082</u>	<u>158,726</u>
	10,458,664	927,071	9,531,593	963,793	8,567,800	1,001,858
<b>TOTAL</b>	<b>51,638,664</b>	<b>4,692,071</b>	<b>46,946,593</b>	<b>4,678,793</b>	<b>42,267,800</b>	<b>4,666,858</b>

	1-Jul-06 Principal Balance	FY 2007 Principal Payment	1-Jul-07 Principal Balance	FY 2008 Principal Payment	1-Jul-08 Principal Balance	FY 2009 Principal Payment
<b><u>Bond Projects</u></b>						
<b><u>Schools</u></b>						
Liberty High	0	0	0	0	0	0
Liberty High (Refinance)	6,580,000	860,000	5,720,000	850,000	4,870,000	840,000
1994 A Series (Refinance)	5,410,000	1,420,000	3,990,000	1,375,000	2,615,000	1,305,000
New Middle School	5,120,000	320,000	4,800,000	320,000	4,480,000	320,000
Marshall Middle	3,425,000	230,000	3,195,000	230,000	2,965,000	230,000
Brumfield Elem.	2,450,000	175,000	2,275,000	175,000	2,100,000	175,000
Cedar Lee Middle	2,100,000	175,000	1,925,000	175,000	1,750,000	175,000
Pierce, Coleman Elem. & Fauquier High	4,950,000	450,000	4,500,000	450,000	4,050,000	450,000
	30,035,000	3,630,000	26,405,000	3,575,000	22,830,000	3,495,000

<b><u>General Fund</u></b>						
Hospital Hill Building *	449,586	449,586	0	0	0	0
Emergency Radio System **	5,870,000	430,000	5,440,000	445,000	4,995,000	460,000
Bealeton Library *	<u>1,246,356</u>	<u>166,745</u>	<u>1,079,611</u>	<u>175,170</u>	<u>904,441</u>	<u>184,019</u>
	7,565,942	1,046,331	6,519,611	620,170	5,899,441	644,019
<b>TOTAL</b>	<b>37,600,942</b>	<b>4,676,331</b>	<b>32,924,611</b>	<b>4,195,170</b>	<b>28,729,441</b>	<b>4,139,019</b>

\* Lender is The Fauquier Bank, a local lending agency.

\*\* Lender is Virginia Resources Authority (VRA)

All other current debt is with Virginia Public School Authority (VPSA)

## DEBT SERVICE

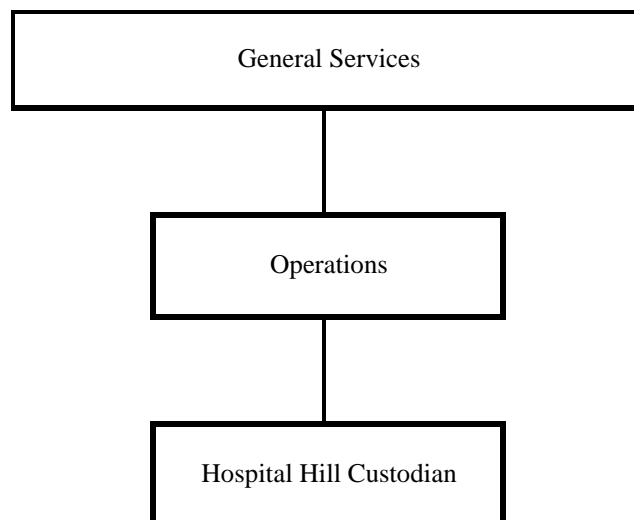
<b><u>Bond Projects</u></b>	<b><u>1-Jul-09 Principal Balance</u></b>	<b><u>FY 2010 Principal Payment</u></b>	<b><u>1-Jul-10 Principal Balance</u></b>	<b><u>FY 2011 Principal Payment</u></b>	<b><u>1-Jul-11 Principal Balance</u></b>	<b><u>FY 2012 Principal Payment</u></b>
<b><u>Schools</u></b>						
Liberty High	0	0	0	0	0	0
Liberty High (Refinance)	4,030,000	825,000	3,205,000	815,000	2,390,000	805,000
1994 A Series (Refinance)	1,310,000	685,000	625,000	325,000	300,000	300,000
New Middle School	4,160,000	320,000	3,840,000	320,000	3,520,000	320,000
Marshall Middle	2,735,000	230,000	2,505,000	230,000	2,275,000	230,000
Brumfield Elem.	1,925,000	175,000	1,750,000	175,000	1,575,000	175,000
Cedar Lee Middle	1,575,000	175,000	1,400,000	175,000	1,225,000	175,000
Pierce, Coleman Elem. & Fauquier High	<u>3,600,000</u>	<u>450,000</u>	<u>3,150,000</u>	<u>450,000</u>	<u>2,700,000</u>	<u>450,000</u>
Hospital Hill Building *	0	0	0	0	0	0
Emergency Radio System **	4,535,000	485,000	4,050,000	500,000	3,550,000	525,000
Bealeton Library *	<u>720,422</u>	<u>193,316</u>	<u>527,106</u>	<u>203,083</u>	<u>324,023</u>	<u>213,343</u>
	5,255,422	678,316	4,577,106	703,083	3,874,023	738,343
<b>TOTAL</b>	<b>5,255,422</b>	<b>678,316</b>	<b>4,577,106</b>	<b>703,083</b>	<b>3,874,023</b>	<b>738,343</b>

<b><u>Bond Projects</u></b>	<b><u>1-Jul-12 Principal Balance</u></b>	<b><u>FY 2013 Principal Payment</u></b>	<b><u>1-Jul-13 Principal Balance</u></b>
<b><u>Schools</u></b>			
Liberty High	0	0	0
Liberty High (Refinance)	1,585,000	795,000	790,000
1994 A Series (Refinance)	0	0	0
New Middle School	3,200,000	320,000	2,880,000
Marshall Middle	2,045,000	230,000	1,815,000
Brumfield Elem.	1,400,000	175,000	1,225,000
Cedar Lee Middle	1,050,000	175,000	875,000
Pierce, Coleman Elem. & Fauquier High	<u>2,250,000</u>	<u>450,000</u>	<u>1,800,000</u>
	11,530,000	2,145,000	9,385,000
Hospital Hill Building *	0	0	0
Emergency Radio System **	3,025,000	545,000	2,480,000
Bealeton Library *	<u>110,680</u>	<u>110,680</u>	<u>0</u>
	3,135,680	655,680	2,480,000
<b>TOTAL</b>	<b>14,665,680</b>	<b>2,800,680</b>	<b>11,865,000</b>

# HOSPITAL HILL PROPERTY

## MISSION/PURPOSE

To provide professional and timely services for the facility and the tenants. Maintain a high state of quality of cleanliness to assure neat, clean and safe environment for everyone.



## GOALS

- To maintain the facility and grounds, in such a manner as to reflect a quality image to everyone

## BUDGET

	FY 2001 Actual	FY 2002 Actual	FY 2003 Adopted	FY 2004 Requested	FY 2004 Adopted
Costs:					
Personnel	\$22,502	\$24,309	\$25,149	\$25,586	\$25,586
Operating	\$86,820	\$76,460	\$94,918	\$94,845	\$94,845
Capital	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	<b>\$109,322</b>	<b>\$101,227</b>	<b>\$119,994</b>	<b>\$120,431</b>	<b>\$120,431</b>
Revenue:	\$577,105	\$395,082	\$302,045	\$306,580	\$306,580
<b>Net Tax</b>	<b>(\$467,783)</b>	<b>(\$293,855)</b>	<b>(\$182,051)</b>	<b>(\$186,149)</b>	<b>(\$186,149)</b>
Full-time Staff	1	1	1	1	1
Part-time Staff	0	0	0	0	0
<b>Full-time Equivalents</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>

**Note:** *Repayment of debt is located under debt service.*



## NON -DEPARTMENTAL

### MISSION/PURPOSE

The non-departmental category provides funds for programs that are not attributable to any one department. Included is a contingency reserve for emergency needs as directed by the Board of Supervisors.



### GOALS

- Maintain reserve for anticipated and unanticipated contingencies

### BUDGET

	FY 2001 Actual	FY 2002 Actual	FY 2003 Adopted	FY 2004 Requested	FY 2004 Adopted
Costs:					
Personnel	\$0	\$0	\$0	\$0	\$0
Operating	\$187,107	\$359,067	\$1,599,233	\$2,402,223	\$1,526,925
Capital	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	<b>\$187,107</b>	<b>\$359,067</b>	<b>\$1,599,233</b>	<b>\$2,402,223</b>	<b>\$1,526,925</b>
Revenue:	\$0	\$0	\$0	\$0	\$0
<b>Net Tax</b>	<b>\$187,107</b>	<b>\$359,067</b>	<b>\$1,599,233</b>	<b>\$2,402,223</b>	<b>\$1,526,925</b>
Full-time Staff	0	0	0	0	0
Part-time Staff	0	0	0	0	0
<b>Full-time Equivalents</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>